

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## UNINSURED/UNDERINSURED MOTORISTS COVERAGE – ALASKA

### WARNING

WITH RESPECT TO THE COVERAGE PROVIDED BY THIS ENDORSEMENT:

- A. YOU DO NOT HAVE UNINSURED/UNDERINSURED MOTORISTS COVERAGE FOR BODILY INJURY IF:**
1. THE SCHEDULE INDICATES THAT ITEM 3. UNINSURED/UNDERINSURED MOTORISTS COVERAGE FOR PROPERTY DAMAGE ONLY IS APPLICABLE; OR
  2. THE DECLARATIONS INDICATES THAT UNINSURED/UNDERINSURED MOTORISTS COVERAGE FOR PROPERTY DAMAGE ONLY IS APPLICABLE.
- B. YOU DO NOT HAVE UNINSURED/UNDERINSURED MOTORISTS COVERAGE FOR PROPERTY DAMAGE IF:**
1. THE SCHEDULE INDICATES THAT ITEM 2. UNINSURED/UNDERINSURED MOTORISTS COVERAGE FOR BODILY INJURY ONLY IS APPLICABLE; OR
  2. THE DECLARATIONS INDICATES THAT UNINSURED/UNDERINSURED MOTORISTS COVERAGE FOR BODILY INJURY ONLY IS APPLICABLE.

### SCHEDULE

Uninsured/Underinsured Motorists Coverage	Limit Of Liability	Premium		
		Auto 1	Auto 2	Auto 3
1. Bodily Injury And Property Damage	\$ Each Person			
	\$ Each Accident	\$	\$	\$
	\$ Each Accident	\$	\$	\$
2. Bodily Injury Only	\$ Each Person			
	\$ Each Accident	\$	\$	\$
3. Property Damage Only	\$ Each Accident	\$	\$	\$

**Part C – Uninsured Motorists Coverage** is replaced by the following:

### INSURING AGREEMENT

- A.** We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" because of:
1. "Bodily injury" sustained by an "insured" and caused by an accident if the Schedule or Declarations indicates that:
    - a. Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or
    - b. Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only.
  2. "Property damage" caused by an accident if the Schedule or Declarations indicates that:
    - a. Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or
    - b. Uninsured/Underinsured Motorists Coverage applies to "property damage" only.
- B.** The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle" or "underinsured motor vehicle". We will pay damages under this coverage caused by an accident with an "underinsured motor vehicle" only if 1. or 2. below applies:
1. The limits of liability under any bodily injury liability bonds or policies applicable to the "underinsured motor vehicle" have been exhausted by payment of judgments or settlements; or
  2. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:
    - a. Have been given prompt written notice of such tentative settlement; and
    - b. Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

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- C. No judgment for damages arising out of a suit brought against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" is binding on us unless we:
1. Received reasonable notice of the pendency of the suit resulting in the judgment; and
  2. Had a reasonable opportunity to protect our interests in the suit.
- D. "Insured" as used in this endorsement means:
1. You or any "family member", including, but not limited to, while a pedestrian or bicyclist, when struck by an "uninsured motor vehicle" or "underinsured motor vehicle".
  2. Any other person "occupying" "your covered auto".
  3. Any person for damages that person is entitled to recover because of "bodily injury", to which this coverage applies, sustained by a person described in 1. or 2. above if the Schedule or Declarations indicates that:
    - a. Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or
    - b. Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only.
- E. "Property damage", as used in this endorsement, means damage to or destruction of "your covered auto". However, "property damage" does not include loss of use of "your covered auto".
- F. "Underinsured motor vehicle" means a motor vehicle or trailer of any type licensed for highway use to which a liability bond or policy applies at the time of the accident but the limits of that bond or policy are not enough to pay the full amount the insured is legally entitled to recover as damages.
- However, "underinsured motor vehicle" does not include any vehicle or equipment to which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
1. Denies coverage; or
  2. Is or becomes insolvent.
- G. "Uninsured motor vehicle" means a motor vehicle or trailer of any type:
1. To which no liability bond or policy applies at the time of the accident.
  2. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:
    - a. You or any "family member";
    - b. A vehicle which you or any "family member" are "occupying"; or
    - c. "Your covered auto".
  3. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
    - a. Denies coverage; or
    - b. Is or becomes insolvent.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

1. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
2. Operated on rails or crawler treads.
3. Designed mainly for use off public roads while not on public roads.
4. While located for use as a residence or premises.
5. Owned by any governmental unit or agency unless the governmental unit or agency is or becomes insolvent.

## EXCLUSIONS

- A. We do not provide Uninsured/Underinsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":

1. While "occupying", or when struck by, any motor vehicle owned by you or any "family member" which is not insured for this coverage under this Policy. This includes a trailer of any type used with that vehicle.
  2. If that "insured" or the legal representative settles the "bodily injury" or "property damage" claim and such settlement prejudices our right to recover payment. However, this exclusion (A.2.) does not apply to damages an insured is legally entitled to recover from the owner or operator of an "underinsured motor vehicle".
  3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This exclusion (A.3.) does not apply to a "family member" using "your covered auto" which is owned by you.
  4. For the first \$250 of the amount of "property damage" to "your covered auto" in any one accident.
- B. This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any of the following:
    - a. Workers' compensation law; or
    - b. Similar occupational disability benefits law.
  2. Any insurer of property.
- C. We do not provide Uninsured/Underinsured Motorists Coverage for punitive or exemplary damages.

### LIMIT OF LIABILITY

- A. The applicable limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each person for Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each accident for Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident. The applicable limit of Property Damage Liability shown in the Schedule or in the Declarations for each accident for Uninsured/Underinsured Motorists Coverage is our maximum limit of liability for all "property damage" resulting from any one accident. This is the most we will pay regardless of the number of:
1. "Insureds";
  2. Claims made;
  3. Vehicles or premiums shown in the Schedule or in the Declarations; or
  4. Vehicles involved in the accident.
- B. Subject to Paragraph A., our limit of liability will be as follows:
1. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage", our limit of liability will be the lesser of:
    - a. The difference between the amount of an "insured's" damages for "bodily injury" and "property damage" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for damages, including all sums paid under **Part A**; and
    - b. The applicable limit of liability for this coverage.
  2. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only, our limit of liability will be the lesser of:
    - a. The difference between the amount of an "insured's" damages for "bodily injury" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for damages, including all sums paid under **Part A** for "bodily injury"; and
    - b. The applicable limit of liability for this coverage.
  3. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "property damage" only, our limit of liability will be the lesser of:

- a. The difference between the amount of an "insured's" damages for "property damage" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for damages, including all sums paid under **Part A** for "property damage"; and
  - b. The applicable limit of liability for this coverage.
- C. Any amounts otherwise payable for damages under this coverage shall apply over and above any amounts available to the "insured" because of the "bodily injury":
- 1. By or for a person who is or may be held legally liable for damages. This includes all sums paid under **Part A**.
  - 2. Under any of the following:
    - a. Workers' compensation law; or
    - b. Automobile medical payments coverage.
- D. In no event will an "insured" be entitled to receive duplicate payments for the same elements of loss.
- E. No payment will be made for loss paid to the "insured" under **Part D** of this Policy or any similar physical damage insurance under any other policy.

### OTHER INSURANCE

- A. If there is other applicable uninsured/underinsured motorists coverage available under more than one provision of coverage when two or more vehicles are insured under this Policy, any recovery for damages may equal but not exceed the highest applicable limit for any one vehicle under this Policy. If there is other applicable uninsured/underinsured motorists coverage available to an "insured" under any other policy issued to that "insured", or any other person who is a resident of that "insured's" household, by us, any recovery for damages may equal but not exceed the highest limit of liability under any one policy.
- B. If there is other applicable uninsured/underinsured motorists coverage available under more than one policy, the following priorities of recovery apply:

<b>FIRST</b>	A policy or coverage covering a motor vehicle occupied by the injured person or a policy or coverage covering a pedestrian as a named insured.
<b>SECOND</b>	A policy or coverage covering a motor vehicle occupied by the injured person as an insured other than as a named insured.
<b>THIRD</b>	A policy or coverage not covering a motor vehicle occupied by the injured person but covering the injured person as a named insured.
<b>FOURTH</b>	A policy or coverage not covering a motor vehicle occupied by the injured person but covering the injured person as an insured other than as a named insured.

We will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all limits applicable to the same level of priority.

### ARBITRATION

- A. If we and an "insured" do not agree:
- 1. Whether that "insured" is legally entitled to recover damages; or
  - 2. As to the amount of damages which are recoverable by that "insured";
- from the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.
- B. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
- C. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to:

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1. Whether the "insured" is legally entitled to recover damages;
2. The amount of damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of Alaska. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding; and
3. Who is responsible for payment of all expenses and fees, not including counsel fees or adjuster fees, incurred because of arbitration.

D. Each party will pay the counsel fees and adjuster fees it incurs.

#### **ADDITIONAL DUTIES**

A person seeking coverage under this endorsement must also promptly:

- A. Send us copies of the legal papers if a suit is brought; and
- B. Notify us in writing of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

#### **PART F – GENERAL PROVISIONS**

The following is added to the **Our Right To Recover Payment** Provision with respect to Uninsured/Underinsured Motorists Coverage:

We shall be entitled to a recovery under Paragraph A. or B. only after the person has been fully compensated for damages.

Our rights do not apply under Paragraph A. with respect to damages caused by an accident with an "underinsured motor vehicle" if we:

1. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
2. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

1. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured/Underinsured Motorists Coverage; and
2. We also have a right to recover the advanced payment.

All other policy provisions apply.